

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

The Financial Oversight and Management Board for
Puerto Rico,

as representative of

The Commonwealth of Puerto Rico, *et al.*,

Debtors.¹

PROMESA

Title III

Case No. 17-3283-LTS

**Court Filing Relates Only to
PREPA**

In re:

The Financial Oversight and Management Board for
Puerto Rico,

as representative of

The Puerto Rico Electric Power Authority,

Debtor.

PROMESA

Title III

Case No. 17-4780-LTS

(Jointly Administered)

**RESPONSE OF THE AD HOC GROUP OF PREPA BONDHOLDERS,
ASSURED GUARANTY CORP., ASSURED GUARANTY MUNICIPAL CORP.,
AND SYNCORA GUARANTEE INC. TO THE
MEDIATION TEAM'S THIRD NOTICE AND REPORT [ECF No. 3159]**

The Ad Hoc Group of PREPA Bondholders (the “Ad Hoc Group”), Assured Guaranty Corp. and Assured Guaranty Municipal Corp. (“Assured”), and Syncora Guarantee Inc. (“Syncora,” and together with Assured and the Ad Hoc Group, the “PREPA Bondholders”) hereby

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

respectfully submits this response to the *Mediation Team's Third Notice and Report* [Case No. 17-4780-LTS, ECF No. 3159] (the "Notice and Report").²

1. As this Court is well aware, the Oversight Board was tasked with a strict directive to put forth a confirmable plan by December 1, 2022 (later extended to December 16, 2022). *See* November 2, 2022 Hr'g Tr. 18:4-14 [Case No. 17-03283, ECF No. 22836] ("I don't expect to see a place holder filed on December 1 [I]f the requirement to file a confirmable plan . . . isn't met every possible way of reacting to that will be on the table"). The Court further stated its expectation for the mediation process to produce a confirmable plan that is the product of "substantive engagement" with PREPA bondholders and other parties. *Id.* at 18:8-14. Unfortunately, that did not happen.

2. Instead, the Oversight Board elected to pursue a misguided and wasteful litigation at the expense of a consensual resolution of PREPA's Title III Case. As the Mediation Team indicated in the Notice and Report, there have been no substantive mediation discussions between the PREPA Bondholders and the Oversight Board since December 16. Nonetheless, if at some point the Oversight Board is ready to negotiate in good faith to actually try to reach a deal with bondholders, then the PREPA Bondholders would be willing to go back into mediation.

3. Therefore, the PREPA Bondholders have no objection to the Mediation Team's requested extension of the Termination Date to and including April 28, 2023, and remain open to engaging in constructive dialogue.

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² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Notice and Report.

Dated: San Juan, Puerto Rico
January 26, 2023

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